

CITY MANAGER'S BUDGET MESSAGE

Mayor and City Council
City of Greensboro

June 1, 2004

Council Members:

Even as our community seeks to emerge from a constrained local and regional economy, the City of Greensboro remains committed to playing our appropriate role as a partner with the community, seeking to accomplish long range economic and quality of life goals. This proposed budget continues to focus the organization on the achievement of its strategic priorities. These priorities represent, I believe, the City's most effective means by which to serve this community's desire to be a safe and enjoyable place to live and work.

The organization is striving to provide sufficient funds for those service levels and objectives deemed highest priority by City Council. This recommended budget reflects efforts made to increase operational efficiencies and includes difficult but necessary decisions to raise the necessary funds to support enhanced efforts in several critical areas.

Strategic Priorities

Economic Development

During the FY 03-04 budget development process, City Council formally adopted *Economic Development* as a strategic priority for the City. While the City has previously budgeted funds for economic development purposes, this distinction, along with other ongoing priorities, will direct the organization to identify specific goals and objectives for participating in economic development activities and to allocate funds to achieve these goals.

This recommended budget includes funding to assist the continued positive activities occurring in our downtown. These activities include including new housing development, business location, business façade improvement programs, landscaping programs and public safety.

This budget recommends that increased funding for the Greensboro Economic Development Partnership, our business development and recruitment program, that was instituted in the current year budget remain intact for FY 04-05 and FY 05-06. The City is cooperating with the Partnership on a continual basis, particularly with their new business retention program. The City's

commitment to active participation in economic development was evident in interagency cooperative work that helped lead to the decision of *CitiCards* to locate a new service center in our immediate area. This new service center will retain 600 current jobs and eventually add another 1,000 new jobs.

A targeted loan program, implemented in partnership with local lending institutions, has drawn considerable attention from small businesses and entrepreneurs. About 100 requests for applications have been handled with six loan requests nearing completion.

Natural Resources/Growth Management

In May, 2003, City Council adopted the City Connections 2025 Plan, a comprehensive plan for future land use and development for Greensboro. The plan calls for a wide array of public/private partnerships in areas such as infill development, downtown revitalization, transportation, and neighborhood character and infrastructure support.

Since the adoption of the comprehensive plan, staff has been working to implement the various land development policies outlined in the plan. This budget recommends additional funding to facilitate the development of land use ordinances to further implement the comprehensive plan.

The City's natural resource management efforts have most recently focused on securing long range water sources for the community. The Randleman Reservoir, now under construction, plus other water capacity projects such as the Haw River line and further infrastructure improvements to allow greater water purchases from Burlington, will provide abundant water system capacity well into the future.

Now, our emphasis turns to wastewater capacity, aging infrastructure and an increasingly stringent regulatory climate. Approximately \$50 million in capital improvements borrowing is recommended in 2004, to fund such projects as the mitigation of sewer overflows in the Latham Park area. Future major capital projects will include expansions and rebuilds of aging lift stations and major upgrades to wastewater treatment facilities to meet more restrictive discharge requirements that are anticipated in the future. Water service rates are projected to increase by about 15% on an annualized basis, effective January 1, 2005, to help



offset debt service costs associated with these revenue bonds.

This recommended budget anticipates the opening of the Refuse Transfer Station during FY 04-05, allowing the City to remove municipal solid waste from the White Street Landfill. The station is expected to open during the spring, 2004, with the full annual budget costs impacting the City budget for the first time in FY 05-06. Funding recommendations for the ongoing cost of this facility are outlined in the budget document and will be discussed in detail in budget work sessions.

Public Safety

During our budget planning sessions in December and January, City Council expressed consistent concern for the level of Police Patrol services available to the public. The Police Department responded by implementing a shift strategy change that places a greater number of officers on the street during peak call demand time. The effort gained the department and our citizenry the equivalent of fifteen additional officers in response time availability.

During the spring of this year, I directed staff from the Police Department and Budget and Evaluation to thoroughly examine and document the level of patrol service available even after the implemented shift changes and to develop strategies for increasing patrol presence. Based on the results of this study and my continued sense of priority for Police Patrol as held by City Council, this budget recommends an increase of thirty-two Police Patrol Officers. This would allow for one additional officer for each patrol shift. In total, the budget recommends Police Department enhancements in excess of \$2 million.

The recommended budget assumes the opening of the Orchard Fire Station during FY 04-05 as part of the City's overall service delivery to newly annexed areas. The cost to outfit and operate the new station is approximately \$2 million annually. The budget allows for contractual service that will be in place until a temporary fire station can be placed in the area.

Maintenance of City Investments

Although referenced in the Natural Resources/Growth Management priority discussion, much of the capital projects both planned and underway for Water Resources illustrates the City's commitment to this priority. Projects such as upgrades to the North Buffalo outfall system and the Cardinal/Bledsoe Drive outfall system helps to

enhance and more properly maintain major components to the City's wastewater collection system.

This budget finds the City preparing to open two new branch libraries, Carolyn Allen Park, the WROC 211 multi-department facility and resume maintenance responsibility for the grounds at War Memorial Baseball Stadium. The recommended budget includes necessary staff and resources to provide adequate ongoing maintenance at these locations.

Repairs to the roof at the Simkins Sports Pavilion at Barber Park, one of the major maintenance projects included in phase one of the Parks and Recreation Master Plan, are nearly complete.

Community Relations

The Greensboro Neighborhood Information Center, located at the Glenwood Branch Library, has created the Greensboro Neighborhood Congress, a city-wide alliance of neighbors and neighborhoods. Their mission is to improve the quality of life within our neighborhoods and the City of Greensboro by addressing issues of city-wide importance and empowering neighborhoods to resolve neighborhood specific concerns. The Congress now includes fifty-five neighborhoods working as a coalition, sponsoring activities such as training opportunities for neighborhood leaders.

The Community Relations Committee is a group of citizens and department heads formed to address Council's interest in stronger community/governmental relations. This committee has spent two years meeting with citizens and City staff. The committee will be submitting a report in June, 2004 to the City Manager's Office outlining their findings and recommendations regarding improving community relations.

The Neighborhood Planning and Services Delivery Team, a group of City employees representing various city departments, was established as a part of the City's internal strategic planning process. This group has developed recommendations for strategies of service delivery that will enhance the relationship between City departments and the neighborhoods they serve. The Lindley Park Neighborhood is serving as the "pilot" neighborhood and a report and briefing session for Council is expected this summer.

Other Strategic Issues

In addition to the primary community issues outlined by City Council, the organization is focused on strategically preparing to meet future customer needs and challenges.

Customer Service

The Contact Center, the City's premiere customer service initiative, will open during the FY 04-05 budget year. The center will begin providing call intake services for Solid Waste, Transportation and general City information. Once the technology and associated data bases are fully developed, one main phone number will be advertised to citizens as the main customer service number for the City. The City's first Citizens' Academy will be held during FY 04-05. Modeled after similar programs already in place in the Police and Fire Departments, it will provide attendees with a general background in municipal government, in hopes of eventually preparing those interested in serving the community through various volunteer opportunities.

Financial Management

Operating this organization with sound management principles, looking for ways to more efficiently deliver service, remains a top priority, particularly during these challenging economic conditions. The City continues to implement strategies to gain the maximum output from our current resources.

As referenced earlier, the Police Department has undertaken shift deployment changes that effectively increased their manpower availability by fifteen officers, a tremendous gain in both efficiency and effectiveness.

As fuel prices increase with no short term relief seen on the horizon, the City is investigating ways to use fuel more efficiently. The City now owns and operates four "hybrid" vehicles, vehicles that can operate both on fuel and electrical power. Fuel efficiency experience with these vehicles has been excellent and Equipment Services plans to increase the number of hybrid vehicles in the City fleet.

Effective December, 2003, the Coliseum Concessions, Catering and Merchandising operations were placed under private management through a third party vendor. By contracting out these functions, the Coliseum reduces its own overhead burden while expecting to receive greater net revenue from these activities in the future.

Capital Improvements Program

The proposed FY 2004-2010 capital improvements plan (CIP) totals nearly \$474 million and illustrates our commitment to maintaining our current infrastructure and developing new facilities where needed to augment our strategic service priorities.

The proposed CIP includes \$222 million for water, wastewater and stormwater system maintenance

and expansion. This represents an unprecedented commitment on the City's behalf to properly outfit and maintain these most critical infrastructure systems. To fund this level of construction activity, the City will consistently borrow funds over the next six years and will require additional increases in the water and wastewater user charges. The proposed CIP includes approximately \$90 million in authorized bonds for neighborhood development, parks and recreation, public safety and transportation projects approved by the voters in 2000.

Property Tax Rate

The FY 04-05 recommended budget is balanced with a proposed tax rate of 56.75 cents per \$100 property valuation. While this is five cents below the rate adopted in FY 03-04, it is 4.25 cents higher than the "revenue neutral" rate of 52.50 cents. This revenue neutral rate would be the tax rate necessary to factor out the impacts of the 2004 county property revaluation.

A combination of circumstances leads me to recommend this tax increase. As noted earlier, this budget includes a significant increase in Police resources, most notably the addition of thirty-two Patrol Officers. The Police enhancements account for over one cent of the tax rate increase proposal.

This budget must adequately prepare for basic ongoing expenses, such as the costs to open and maintain new facilities like Carolyn Allen Park and the WROC 211 building and increasing health insurance costs. These type expenses account for approximately one cent of the recommended tax rate increase.

In the FY 04-05 budget, I am proposing the elimination of the \$5 per month roll out container service fee, to be replaced by increased General Fund support for the Solid Waste Fund. This increased support equates to approximately 1.5 cents of the recommended tax rate increase. This proposed user fee/property tax "swap" would generate a slight net cost savings for the majority of property owners in the City.

Summary

Our employees have met the challenge of continuing progress toward our strategic priorities, even in the face of some of the most trying fiscal times in recent memory. It is their efforts and dedication that make this spending plan a reality. We are ready to assist you in the adoption of this plan for the delivery of services to our community.

Respectfully submitted,

J. Edward Kitchen, City Manager

